GOVERNMENT OF INDIA
SURFACE TRANSPORT
LOK SABHA

UNSTARRED QUESTION NO:6401
ANSWERED ON:08.05.2000
WITHDRAWAL OF EXISTING ROAD FUND
ASHOK NAMDEORAO MOHOL

Will the Minister of SURFACE TRANSPORT be pleased to state:

(a) whether the Government have decided to withdraw 1998 resolution governing the existing road fund;

(b) if so, the reasons therefor;

(c) whether the Government propose to introduce a bill for levying statutory cess on petrol and high speed diesel for development of National Highways;

(d) if so, the details thereof; and

(e) the time by which the said bill is likely to be introduced?

Answer

MINISTER OF STATE IN THE MINISTRY OF SURFACE TRANSPORT

(DR. DEBENDRA PRADHAN)

(a) to (e) It has been decided to withdraw 1977 and 1988 resolutions governing the existing Central Road Fund and to introduce a bill in Parliament for levying a statutory cess on petrol and High Speed Diesel (HSD) for development of National Highways, State roads and rural roads. The Central Road Fund Bill is at a preliminary stage.It has, however, been decided that 50% of the cess of Re.1.00 per liter on HSD will be spent on development of rural roads.15% of the cess on HSD and 30% of the cess on petrol will be used for development of State roads. The balance amount, i.e. 35% of the cess on HSD and 70% of cess on petrol will be used for development of National Highways and construction of rail-over-bridges and safety works on unmanned level crossings.